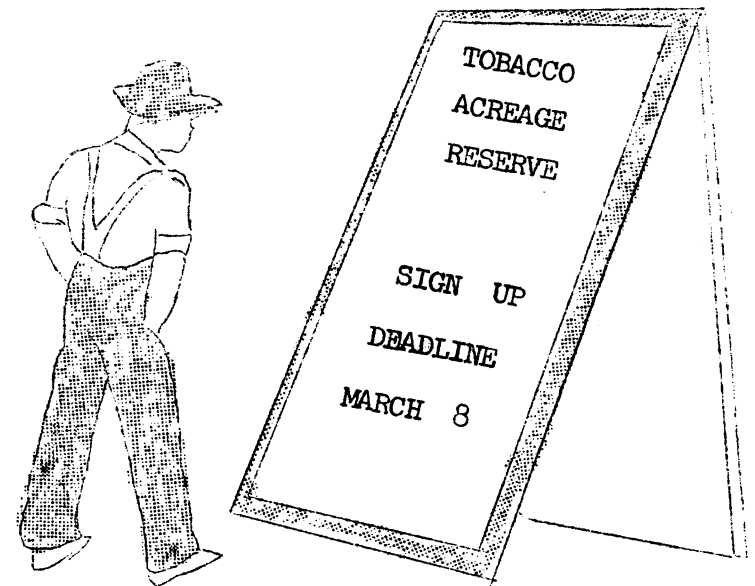


Department of Agricultural
Economics & Rural Sociology

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EXTENSION FACTS LEAFLET ON
THE 1958 TOBACCO ACREAGE
RESERVE PHASE OF THE
SOIL BANK



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1958 TOBACCO ACREAGE RESERVE

(Items marked * are new or significantly different from year ago.)

1. What is the 1958 tobacco acreage reserve goal in the U. S.?

The national goal is 90,000-135,000 acres. The cigar filler goal is for 400-600 acres. Congress has authorized a maximum of \$500 million for the entire program, which includes other "basic" crops.

2. How long will the tobacco acreage reserve program run?

In the present situation the program is authorized through the 1958 crop year. Congress may make extensive changes before the 1959 crop year.

3. In what parts of Ohio does the tobacco acreage reserve apply?

It applies to the counties in southern and southwestern Ohio having acreage allotments. There are 34 counties with burley and 9 counties with Ohio cigar filler (types 42, 43, 44) tobacco acreage allotments.

4. Who may participate in the tobacco acreage reserve?

All farmers complying with their tobacco acreage allotment and other allotments.

5. Do I have to be in compliance with all allotments to qualify for the 1958 acreage reserve?

Yes. A farmer overplanting his corn or wheat allotment will be ineligible to receive acreage reserve payments for reducing tobacco acreage in 1958.

*6. How does a farmer participate?

He voluntarily signs a one-year agreement. The tobacco agreement must be signed from January 13 through March 7 with his county ASC committee designating specific tract (s) as tobacco acreage reserve. Agreements will be entered into on a "first come, first served" basis. This land will be withdrawn from production.

7. How do tenants participate?

If the operator is a share-tenant the agreement must also be signed by each person who has control of the land, or who is eligible to receive any compensation. If any operator has an absentee landlord who is required to sign the agreement, the operator must secure the landlord's signature and file the agreement with the ASC office by April 6. The operator still must have signed the agreement by March 7.

8. Are separate agreements signed for each crop placed in the acreage reserve?

Yes. A separate one-year contract is signed for each of the crops eligible in Ohio. These crops are corn, wheat and tobacco.

9. Can I terminate a tobacco acreage reserve contract?

No contracts can be terminated after March 7.

10. Will participation reduce my historic allotment base acreage?

Farms have a base from which acreage allotments are determined. Participation in the tobacco acreage reserve will not lower the historical tobacco base and will not in itself cause future allotments to be less than they would have been if there were no soil bank.

11. Can I choose any land I want to place in the acreage reserve?

Farmers will be required to designate the eligible specific tract (s) when they sign up in the acreage reserve. Your selection must be approved by the ASC and they have the right to reject tracts which are of such size, shape and nature that it is impractical to determine performance or which would tend to defeat the purpose of the program. This would include drouthy knobs, flood areas or areas difficult to measure.

12. How can I use "banked" acres in 1958?

- a) No crop maturing as seed or grain can be harvested from acreage reserve acres for the entire year, January 1, 1958 through December 31, 1958.
- b) No grazing is permitted on the acreage reserve between January 1, 1958 and December 31, 1958 except in emergency cases which must be approved in advance by the Secretary of Agriculture.
- c) Noxious weeds--Johnsongrass, bindweed, quack grass, and Canada thistle -- must be controlled from spreading on acreage reserve acres. No payment will be made for controlling these weeds.
- d) Cover crops (approved by the ASC) planted or a crop already growing and with harvest possible must be disposed of prior to a date set by the local ASC committee. Wheat or other crops for harvest in 1959 can be planted in the fall of 1958 on designated acreage reserve acres.

13. Are farms to be inspected for eligibility of the designated acres?

Yes. The county committee will inspect for suitability of the land, productivity, accuracy of designation, and size and shape before the agreement is approved.

*14. Which land is eligible for the 1958 tobacco acreage reserve?

The land eligible for the tobacco acreage reserve is any land which was in regular crop rotation in 1956 and 1957 and is now suitable for crop production. A soil bank base crop must have been planted on the area designated during the 1953-57 period.

15. What land is not eligible to be designated as the tobacco acreage reserve?

Land that cannot be designated includes:

- a) Woodlots,
- b) Flowable non-crop open pasture (permanent pasture),
- c) Land which is an erosion hazard, if tillage is continued, and
- d) Conservation Reserve Acreage

*16. Are there any other requirements on land to be designated as tobacco acreage reserve?

Yes. Other requirements for designated acreage reserve areas include:

- a) Land to be used for business, housing, highways, industrial developments or other non-agricultural use is not eligible.
- b) It must be land suitable for production of a crop in 1958. Land that generally floods before harvest is not eligible.

c) If the land has significantly lower productivity than the remainder of the farm this must be indicated in the agreement.

*d) Acreage of "soil bank base crops" on the farm must be limited.

*17. What is the farm "soil bank base"?

The "soil bank base" for a farm is the average acreage on the farm devoted to "soil bank base crops" during the years 1956 and 1957. The county ASC committee can make upward adjustments for abnormal weather and downward adjustments for new land brought into production of "soil bank base crops" in 1957. For farms with a "base" already established under the conservation reserve program this "base" will apply.

*18. What are the "soil bank base crops"?

The principal "soil bank base crops" in Ohio are corn, all small grains harvested for grain, soybeans, field peas and beans, tobacco, vegetables for fresh marketing or processing, potatoes and sugar beets. Annual grasses are considered "soil bank base crops" if seed is harvested.

Annual, biennial or perennial grasses or legumes grown for hay or pasture, any green manure crop not removed from land, and small grain pastured off before county disposition date, and home gardens are not soil bank base crops. They are considered "soil conserving".

*19. What if I harvest more than one crop from the land in the 1958 crop year?

When more than one crop is produced on the same land in one year and one of the crops is a "soil bank base crop", the land will be considered as having a "soil bank base crop" for the entire year.

*20. How can I determine my farm "soil bank base" for 1958?

Determine the total acres of "soil bank base crops" for 1956 and 1957. Add to the total acres the number of acres in the acreage reserve for 1956 and 1957. Then add the acres placed in the conservation reserve at the regular rate and divide the total by 2. This gives the "soil bank base". Adjustments may need to be made (See question 17).

Farmer A had 40 acres of corn in 1956 and grew 35 acres of corn in 1957. He grew 14 and 12 acres of wheat and has grown 3.5 and 3.3 acres of tobacco in 1956 and 1957 respectively. He placed 5 acres in the corn acreage reserve in 1957. These are his only "soil bank base crops" as he has used all his meadow for hay and pasture except the 5 acres in the 1957 acreage reserve.

Soil Bank base crops in 1956	57.5 acres
Soil bank base crops in 1957	50.3 acres
Acreage reserve in 1957	5.0 acres
Total	112.8 acres
Soil bank base (112.8 ÷ 2)	56.4 acres

Farmer B has grown 90 and 80 acres of corn, 39 and 38 acres of wheat and 5.0 and 5.0 acres of tobacco, and 30 and 35 acres of soybeans in 1956 and 1957 respectively. The remainder of his cropland was in hay and pasture.

Soil bank base crops in 1956	164 acres
Soil bank base crops in 1957	158 acres
Acreage reserve in 1957	0 acres
Total	322 acres
Soil bank base (322 ÷ 2)	161 acres

21. What is the payment rate per pound on land placed in the acreage reserve?

Burley, the national average rate and Ohio will be 18¢ per pound.

Cigar filler, the national average rate and Ohio rate will be 9¢ per pound.

22. How will the payment per acre be computed for tobacco?

The payment will be the smaller of:

- a) The normal yield for the farm, or
- b) The normal yield for the tract designated as the acreage reserve.

Farmer C has a normal burley tobacco yield of 1600 pounds per acre. He designates some eligible land and the tract is normal for the farm. He would multiply 1600 pounds by the tobacco rate (18¢). His return would be \$288.00 per acre.

Farmer D has a normal burley yield of 2000 pounds per acre. He designates an eligible tract of land for the acreage reserve, but the area is below normal for the farm in productivity. He shall specify in the agreement the percentage of the normal yield which might be expected normally for tobacco produced on the tract. Farmer B indicates this tract is 80% as productive. The ASC will check all designated acreage. Taking 80% of 2000 gives 1600 pounds. The maximum compensation per acre would be 1600 pounds times the burley tobacco rate (18¢) giving a return of \$288.00 per acre.

23. How are normal yields determined for each farm?

Check yields were determined for each county from actual yields. The 1950-55 period is used for the check yields. The farm normal yields may vary from 80-125% of the county average yield.

*24. Is there a maximum compensation per acre that I can receive?

No maximum compensation limits apply.

25. How do I determine the farm compensation?

The payment per acre is determined by multiplying the number of acres by the rate per acre.

Farmer E agrees to place 2 acres of cigar filler in the tobacco acreage reserve and fulfills this agreement. His normal yield is 1800 pounds per acre. His payment is \$162.00 per acre (1800 X 9¢). The total compensation would be \$324.00 in the tobacco acreage reserve (2 acres X \$162.00)

*26. What is the maximum farm payment allowed?

A \$3000 limit is the maximum combined payment from wheat, corn and tobacco that any one producer can receive. This limit applies to each producer (landlords and tenants are two producers) with regard to each farm he operates or in which he has an interest and share in the crop.

Farmer F could receive up to \$3000 for placing only his tobacco land in the acreage reserve providing the tobacco allotment is large enough. A landlord and tenant could each receive \$3000 providing the tobacco allotment is large enough.

Farmer G could place some corn, wheat and tobacco land in the acreage reserve. The only limits are the total allotments for each crop and the combined payment of \$3000.

*27. Will I receive more compensation if I leave the same designated acres in the acreage reserve in 1958?

If identical land is designated as acreage reserve in 1958 and in 1957 the rate in 1958 will be 110% of the 1957 rate.

Farmer H places 5 acres of cigar filler tobacco in the 1958 acreage reserve with a \$170.00 per acre payment rate. His return will be \$850.00 (5 acres X \$170.00 = \$850.00). His 1958 return, if the same area is designated as acreage reserve as was designated in the reserve in 1957, will be \$935.00 (\$850.00 X 110%).

28. What is the minimum participation?

The minimum area shall be 0.25 acre or the allotment for the farm, whichever is smaller.

*29. What is the maximum acreage participation?

There is no specific maximum acreage limitation. However, the acreage reserve area cannot exceed the combined allotments of corn, wheat and tobacco. The maximum for tobacco cannot exceed the allotment. The combined payment for all crops cannot exceed \$3000.00 per operator. Agreement will be entered into as a "first come, first served" basis.

Farmer I has a 2 acre tobacco allotment. He can place a maximum of 2 acres in the acreage reserve.

Farmer J has a 10 acre burley tobacco allotment does not share his payment and has no other land in the acreage reserve. He can place 10 acres in the acreage reserve providing his payment does not exceed \$300.00 per acre. (10 acres X \$300 per acre = \$3000.00). If Farmer J has \$340.00 payment per acre, he could place only 8.82 acres in the acreage reserve (8.82 acres X \$340.00 = \$3000.00)

*30. How many acres of "soil bank base crops" can I harvest in any year?

The permitted acreage of "soil bank base crops" which may be harvested in any year is the "farm soil bank base" minus the acreage placed in the acreage reserve under all agreements for the farm for the year, and minus the number of acres entered into the conservation reserve at the regular rate under contract for that year.

Farmer K (Farmer A in question 20) has a 56.4 acre "farm soil bank base". For 1958 he wants to place 3.0 acres of tobacco land in the acreage reserve. He has not participated in the conservation reserve. He can harvest (permitted acreage) 53.4 acres ($56.4 - 3.0 = 53.4$)

Farmer L (Farmer B in question 20) has a "farm soil bank base" of 161 acres. He has a conservation reserve contract for 10 acres for 1957-59. He wants to place 2.0 acres of tobacco in the acreage reserve. His maximum permitted acreage (harvested) is 159 acres ($161 - 12.0 = 149.0$)

- *31. Do I have to reduce my total harvested acreage from both the allotment and the farm soil bank base?

Yes. This is designed to prevent substitution in the production of other feed grains

32. What if I unintentionally overplant the acreage of wheat?

The excess acreage must be disposed of by the date established for the crop by the county ASC, and in the manner indicated by the county ASC. The time and manner will be the same for the acreage reserve area as for the price support program. Failure to comply with these regulations will be considered a violation of the contract (see question 38).

- *33. What other rules apply to overplanting?

- a) If the final measured acres of other "soil bank base crops" exceeds the permitted acreage by more than 1 acre or 3%, whichever is larger, the agreement is in violation and all payment is forfeited. No civil penalty will be added in this case.
- b) There can be no excess acreage of tobacco (tobacco allotment minus 1958 tobacco acreage reserve). If there is any excess acreage the payment is forfeited plus a 50% civil penalty.
- c) When the permitted acreage is 0 (cases where all crop land is placed in the soil bank) if there is any acreage classified as "soil bank base crops" the contract is in violation (see question 18 and 38).

Farmer M with a tobacco allotment of 3.0 acres and a soil bank base of 100 acres places 2.0 acres in the tobacco acreage reserve. His permitted acreage is 1.0 acre of tobacco and 97 acres of other soil bank base crops. His measured acreage of tobacco growing for harvest is 1.1 acres and he has 95 acres of other "soil bank base crops". The acreage of tobacco exceeds the permitted acreage. His entire tobacco acreage reserve payment will be forfeited plus a 50% civil penalty

Farmer M in above example has a measured acreage of 1.0 acre of tobacco and 99 acres of other "soil bank base crops". His other "soil bank base crops" exceeds the permitted acreage by two acre. This is within the 1 acre or 3%, whichever is larger, tolerance that is allowed on other "soil bank base crops". His payment will be reduced equal to the payment rate for 1 acre of tobacco.

Farmer M in above example has a measured acreage of 1.0 acre of tobacco and 101 acres of other "soil bank base crops". His other "soil bank base crops" exceeds the permitted acreage by 4 acres. This is in excess of the 3% tolerance allowed. He will forfeit his entire payment for the tobacco acreage reserve area, but no civil penalty will be assessed.

34. How will I be paid?

Payment will be made in certificates. These certificates can be cashed at banks at their face value. Only certificates for corn, wheat and rice can be cashed for grain.

35. When will I be paid?

The certificates or checks will be issued to the producer(s) upon determination of compliance with the acreage reduction requirements. This probably will be near harvest time.

36. What provisions relate to tenants and landlords?

The compensation of tenants and landlords shall be specified in the agreement. The share of compensation of tenants and landlords shall be on a fair and equitable basis and must be approved by the county ASC committee. No agreement will be entered into if it appears:

- a) That the operator or landlord has reduced the acres of their respective shares of the corn allotment.
- b) That the operator or landlord has reduced the number of tenants or the share of the corn allotment available to the tenants.
- c) That the operator or landlord has increased his share of the crop and reduced the tenants share.
- d) That there exists between operators, landlords and tenant(s) an agreement:
 1. To cause any tenants to pay over to the landlord or operator any compensation, or
 2. To change the status with respect to the land, or
 3. To reduce the size of tenant's (s') share of allotment, or
 4. To increase rent to be paid by tenants or to decrease the share of the crop received by tenants.

Tenants moving after an acreage reserve agreement is signed but before compensation is paid shall be paid their share of the payment providing they retain interest in the tobacco crop. Successor tenants can be paid providing the ASC is notified in writing and the successor tenant executes an agreement with the ASC.

37. Who is entitled to the payment when the farm is sold?

If the farm is sold after signing the acreage reserve agreement and before payment is made, the original signer will receive the acreage reserve payment if he retains interest in the tobacco crop. If the interest in the tobacco crop is transferred to the buyer and the county ASC office is notified in writing before compensation is paid, the payment will be made to the buyer providing he signs the agreement.

38. What happens if the contract is violated?

If the violation is of such substantial nature as to warrant termination of the contract all payments will be forfeited, and the farmer shall refund all compensation received under the Soil Bank. If the violation does not warrant termination of the agreement the producer shall accept such compensation, adjustments, forfeit benefits, and make such refunds as may be deemed appropriate. A violation requiring forfeiture of part or all of the payment does not automatically terminate the agreement. The termination, to be effective, must be approved by ASC and the farmer so notified. A civil penalty will be assessed against any producer who knowingly and willfully grazes or harvests any crop from the designated acreage reserve, or harvests in excess of the permitted acreage of tobacco shown on the agreement. There is no tolerance for 1958 tobacco. This penalty will be equal to 50 percent of the compensation payable for compliance. It is in addition to any amount forfeited under provisions of the agreement.